

**LOCAL GOVERNMENT INSURANCE TRUST**

**SCOPE OF COVERAGE**

**PROPERTY PROGRAM**

Rev. 7/2009

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**COVERAGE DECLARATION FORM**  
**LOCAL GOVERNMENT INSURANCE TRUST PROPERTY POOL**  
**Scope of Coverage**

Item 1. MEMBER or PUBLIC ENTITY: \_\_\_\_\_

Item 2. MAILING ADDRESS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Item 3. COVERAGE PERIOD: Effective 12:01 a.m. E.S.T. on \_\_\_\_\_  
 to expire at 12:01 a.m. E.S.T. on \_\_\_\_\_.

Item 4. DOCUMENT NUMBER: \_\_\_\_\_

Item 5. LIMITS OF COVERAGE

**This Scope of Coverage consists of the following coverages provided that a limit and a Fee are specified:**

**A. STANDARD COVERAGE**

**Limit of Coverage**

**Fee**

_____	Blanket Buildings and Personal Property Maximum Per Occurrence.	\$ _____
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**Not to exceed the following sublimits for standard coverage:**

_____	Per Occurrence on Unscheduled Property.	\$ _____
_____	Per Occurrence on New Construction, Additions and Alterations.	\$ _____
_____	Per Occurrence on Consequential Loss to Covered Property.	\$ _____
_____	Per Occurrence on Personal Property of Employees and Volunteers.	\$ _____
_____	Per Occurrence on Time Element.	\$ _____

_____	Per Occurrence on Accounts Receivable.	\$ _____
_____	Per Occurrence on Valuable Papers and Records.	\$ _____
_____	Per Occurrence on Mobile Equipment.	\$ _____

#### B. OPTIONAL COVERAGE

<u>Limit of Coverage</u>	<u>Fee</u>
<u>Stated Value*</u> Per Occurrence on Fine Arts.	\$ _____
<u>Stated Value**</u> Per Occurrence on Historic Property.	\$ _____

- \*      Per Item Listed on Schedule C - Fine Arts.  
 \*\*     Per Item Listed on Schedule D - Historic Property.

#### C. OPTIONAL CAUSES OF LOSS

<u>Limit of Coverage</u>	<u>Fee</u>
_____ From the peril of Flood in any one Coverage Period, except for Property in Hazard Zone A, which is covered with the following limitations: Flood for Property in Hazard Zone A will be valued at Actual Cash Value and subject to a \$25,000 per structure Deductible ( <i>see</i> Schedule F).	\$ _____
_____ From the peril of Earth Movement in any one Coverage Period.	\$ _____
_____ From the peril of Interruption of Utility Services to Member's Premises in any one Coverage Period.	\$ _____

- Item 6. DEDUCTIBLE \$ \_\_\_\_\_ per Occurrence\*
- DEDUCTIBLE \$ \_\_\_\_\_ per Scheduled Auto
- Item 7. SCOPE OF COVERAGE FORM \_\_\_\_\_ Special Form (See Scope  
(Check covered causes of loss) of Coverage Section IIA)
- Item 8. ENDORSEMENTS  
(check if endorsement  
is applicable)
- \_\_\_\_\_ Specific Location Exclusions
- \_\_\_\_\_ Actual Cash Value For Specific  
Locations
- \_\_\_\_\_ Police and Rescue Canine
- \_\_\_\_\_ Basic Form
- \_\_\_\_\_ Electronic Data Exclusion
- \_\_\_\_\_ Fungus Exclusion
- \_\_\_\_\_ Pathogenic or Poisonous Biological  
or Chemical Materials Exclusion
- \_\_\_\_\_ Stated Value for Non-Historic  
Buildings Specific Location(s)
- \_\_\_\_\_ Golf Course

\*Except as respects:

1. Personal Property of Employees and Volunteers While Used in Member's Operations: DEDUCTIBLE \$100 per Occurrence.

**PROPERTY POOL**  
**Scope of Coverage**

Various provisions in this Scope of Coverage restrict coverage. Read the entire Scope of Coverage carefully to determine rights, duties and what is and is not covered.

In consideration of the payment of the Fee, the undertaking of Member to pay the Deductible in the amount stated in the Declarations, and subject to all the terms, limitations and conditions of this Scope of Coverage, the Trust and Member agree as follows:

**I. INTEREST AND PROPERTY COVERED**

- A. STANDARD COVERAGE.** All of the coverage set forth in paragraphs 1-15 inclusive, of this Section shall be a part of and not in addition to the Blanket Buildings and Personal Property Maximum Per Occurrence Limit of Coverage specified on the Declarations. All of the coverage set forth in paragraphs 16-21 inclusive, shall not be part of but in addition to the Blanket Buildings and Personal Property Maximum Per Occurrence Limit of Coverage specified on the Declarations.

**1. Loss to Covered Property**

The Trust will cover Member's interest in and pay for direct physical loss or damage by covered causes of loss during the Coverage Period to all Covered Property:

- a. Owned by Member;
- b. In which Member has a Coverable Interest;
- c. Which Member has an obligation to insure;
- d. Which is Personal Property of others, excluding impounded Property and Personal Property of Member's Employees or Volunteers, in Member's care, custody or control;
- e. Which are Contractors' interests in Covered Property to the extent of Member's liability imposed by law or assumed by contract whether written or oral;
- f. Which are improvements and betterments (*i.e.*, Member's Coverable Interest in fixtures, alterations or additions):
  - (1) Made a part of a Building Member occupies but does not own; and



- (2) That Member acquires or that was made at Member's expense, but cannot legally be removed.

**2. Newly Acquired Property**

The Trust will cover, as Covered Property, newly acquired or constructed Property not included in Schedule A for a period of ninety (90) days following the date of acquisition or until added to Schedule A (whichever occurs first). If newly acquired Property or constructed Property is to be covered under this Scope of Coverage, additional Fee will be payable from the date of acquisition.

**3. Unscheduled Property**

The Trust will cover, as Covered Property, unscheduled Property not included on Schedule A, subject to the lesser of the Blanket Buildings and Personal Property Per Occurrence Limit of Coverage shown on the Declarations or \$500,000 per Occurrence, unless a higher Limit of Coverage is selected on the Per Occurrence on Unscheduled Property row of the Declarations. The Trust will not cover the following unscheduled Property: bridges, roadways, walks, patios, other paved surfaces, boardwalks, piers, bulkheads, wharves, docks, pilings and vacant or abandoned Property or Buildings. In addition, the Trust will not cover unscheduled Property for the following perils: Debris Removal, Demolition and Increased Cost of Reconstruction, Excavation, Backfilling, Grading, Time Element, Extraction of Pollutants from Land or Water, Flood or Earth Movement.

**4. New Construction, Additions and Alterations**

Member may construct a new Building or make additions, alterations or repairs to an existing Building. During the course of construction, addition, alteration or repair during the Coverage Period, the Trust, for covered causes of loss, will cover, subject to the lesser of the Blanket Buildings and Personal Property Per Occurrence Limit of Coverage shown on the Declarations or \$1,000,000 per Occurrence, unless a higher limit is selected on the Per Occurrence on New Construction, Additions and Alterations row of the Declarations:

- a. Loss of or damage to Member's interest in such Property (including supplies, materials and temporary structures);
- b. Member's liability at law or under contract for such Property, including equipment, owned by contractors; and

- c. Actual delayed opening Soft Costs incurred by Member resulting from delay in the completion of a new Building under construction or an existing Building undergoing additions, alterations or repairs. The delay must be caused by loss to Covered Property caused by or resulting from a covered cause of loss during the Coverage Period.

With respect to delayed opening Soft Costs, the period of recovery is defined as:

The length of time from the Occurrence to the time when with due diligence and dispatch the Covered Property could be repaired and restored to normal operations not to be limited by the date of expiration named in this Scope of Coverage.

The Trust's liability for delayed opening Soft Costs incurred by Member shall be determined based on:

- (1) The extra expenses incurred by Member in excess of the normal expenses Member would have incurred for project delays had there been no Occurrence; and
- (2) All reasonable and necessary extra expenses that reduce the Soft Costs that would have been incurred, but only to the extent that the Soft Costs loss is reduced.

## 5. **Debris Removal**

The Trust will pay Member's expense to remove debris of Covered Property caused by or resulting from a covered cause of loss that occurs during the Coverage Period. In determining the Trust's liability for such payment the measure of recovery shall be the lesser of:

- a. The amount actually expended by Member for the removal of debris from Covered Property; or
- b. 25% of the amount of direct physical loss or damage to the Covered Property which necessitated the debris removal.
- c. An additional \$10,000 may apply once item b. above has been paid where reasonable and necessary.

This coverage does not apply to costs to:

- a. Extract Pollutants from air, land or water; or

- b. Remove, restore or replace polluted air, land or water.

The Trust will not be liable for any increased cost of debris removal necessitated by the enforcement of any law or ordinance regulating any Pollutants.

**6. Demolition and Increased Cost of Reconstruction**

- a. In the event of loss or damage caused by covered causes of loss during the Coverage Period that results in the enforcement of any law or ordinance regulating the reconstruction or repair of damaged facilities, the Trust shall be liable for:
  - (i) The cost of demolishing the undamaged building, including the cost of clearing the site, so that the damaged portion of the building may be repaired or reconstructed; and
  - (ii) The proportion that the value of the undamaged part of the building bears to the value of the entire building prior to loss; and
  - (iii) Any increased cost of repair or reconstruction of the damaged and undamaged building on the same or another site necessary to satisfy the minimum requirements of such law or ordinance regulating the repair or reconstruction of the damaged Covered Property on the same site.

However, the Trust shall not be liable for any such increased cost of repair or reconstruction unless the damaged building is actually rebuilt or repaired.

- b. The Trust will not pay for loss due to any ordinance or law that:
  - (i) Member was required to comply with before the loss; even if the building was undamaged; and
  - (ii) Member failed to comply with.
- c. This Scope of Coverage does not cover against any increase in loss which may be occasioned by:
  - (i) The suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the interruption of business; or

(ii) Interference at the described Premises by strikers or other persons with:

(1) Rebuilding, repairing or replacing the Covered Property damaged or destroyed; or

(2) The resumption or continuation of business.

(iii) Pollutants.

However, subject to a limit of \$1,000,000 per Occurrence and except as provided under Decontamination Cost, the Trust will not pay for any costs incurred as a direct or indirect result of enforcement of any laws or ordinances regulating any form of contamination including but not limited to the presence of pollution or hazardous material.

#### 7. Decontamination Costs

If the Covered Property is contaminated as a direct result of physical damage incurred by this Scope of Coverage and there is in force at the time of the loss any law or ordinance regulating contamination, including but not limited to the presence of pollution or hazardous material, then this Scope of Coverage covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated Covered Property in a manner to satisfy such law or ordinance. This coverage applies only to that part of the Covered Property so contaminated as a direct result of covered physical damage.

The Trust is not liable for the costs required for removing contaminated property that is not Covered Property or the contaminant therein or thereon, whether or not the contamination results from an Occurrence.

#### 8. Consequential Loss

The Trust will pay, subject to the lesser of the Blanket Buildings and Personal Property Maximum Per Occurrence limit shown on the Declarations or \$500,000 per Occurrence unless a higher limit is selected, for Consequential Loss to Covered Property caused by or resulting from:

a. Change in temperature or humidity; or

b. Interruption of (i) power, (ii) heat, (iii) air conditioning, (iv) refrigeration, or (v) humidifying or dehumidifying apparatus,

provided the interruption is caused by a covered cause of loss during the Coverage Period to covered equipment under Member's care, custody or control.

**9. Personal Property of Employees and Volunteers**

At Member's option and subject to a Deductible of \$100 per Occurrence, the Trust will pay for direct physical loss of or damage to the Personal Property of Member's Employees or Volunteers by covered causes of loss during the Coverage Period, while such Personal Property is used in Member's operations or on Member's Premises, subject to a limit of \$1,000 per Employee or Volunteer unless a higher limit is selected.

**10. Time Element**

Subject to a limit of \$250,000 per Occurrence, unless a higher limit is selected in the Per Occurrence on Time Element row of the Declarations, this Scope of Coverage covers the following:

**a. Loss of Business Income**

Loss resulting from partial or complete suspension of business conducted by Member caused by damage to or destruction of Covered Property, except retail stock, by covered causes of loss during the Coverage Period.

Loss, if any, shall be adjusted on the basis of the actual loss sustained by Member. The measure of recovery shall be the incurrence of, or increase in, Member's operating loss. The operating loss shall be the amount by which the necessarily continuing charges and expenses exceed the income, if any, earned during the period of recovery but not to exceed the actual loss sustained. In determining the amount of income, charges and expenses covered hereunder for the purpose of ascertaining the amount of loss sustained, due consideration shall be given to Member's revenue experience before the Occurrence and the probable revenue experience thereafter had no loss occurred.

With respect to loss of business income, the "period of recovery" is defined as:

- (1) From the time of the Occurrence to the time when with due diligence and dispatch the Covered Property could be repaired and restored to normal operations not to be limited by the date of expiration named in this Scope of Coverage.

(2) For such additional time as may be required with the exercise of due diligence and dispatch to:

- (a) Restore stock in process to the same state of manufacture at which it stood at the time of interruption;
- (b) Replace damaged or destroyed mercantile stock;
- (c) Repair or reconstruct in full conformity with any law(s) or ordinance(s) regulating the construction, repair or demolition of Buildings.

(3) From actual curtailment or suspension of business operations resulting from inability to procure suitable materials and supplies to replace similar materials and supplies damaged or destroyed, but liability for such loss shall be limited to that period for which the damaged or destroyed materials and supplies would have supplied operating needs.

In the event, however, that water used as a raw material or for power or for any other purposes, stored behind dams or in reservoirs is released from storage as the result of damage to such dam, reservoir or equipment connected therewith, the liability of the Trust for curtailment of or suspension of business operations because of the resulting inadequate water supply shall not extend for more than thirty (30) consecutive days after the damage or destroyed dam, reservoir or equipment has been repaired or replaced.

(4) For a period of time equivalent to the time in which, with due diligence and dispatch, Property in course of building, erection, installation or assembly could be repaired or replaced. This equivalent period of time shall be applied to the experience of the business after the business has reached planned level of business operations. Neither period is limited by the date of expiration named in this Scope of Coverage.

(5) For such additional time as may be required to restore sales or revenue to the same level as would have existed had no loss occurred, not to be limited by the date of expiration named in this Scope of Coverage.

**b. Loss of Rental Income**

Loss of rental income resulting directly from damage to or destruction of rented Covered Property by covered causes of loss during the Coverage Period that renders such rented Covered Property incapable of being used by tenant for its intended purpose. The Trust will be liable for the actual losses sustained by Member but not exceeding the reduction in loss of rental income less charges and expenses which do not necessarily continue during the period of recovery.

With respect to loss of rental income, the "period of recovery" is defined as:

The length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair, or replace such part of the Covered Property as has been damaged or destroyed, commencing with the date of such damage or destruction and not limited by the date of expiration of this Scope of Coverage.

**c. Loss of Tuition Fees**

Loss of tuition fees resulting from partial or complete suspension of school operations caused by damage to or destruction of Covered Property by covered causes of loss during the Coverage Period. The Trust will be liable for the actual loss sustained for the period of recovery with respect to income dependent upon the opening of a school operated by Member on the date prescribed in the catalog or similar bulletin of the school.

With respect to loss of tuition fees, the "period of recovery" is defined as:

- (1) The length of time, commencing with the date of damage to the Covered Property and ending on the day preceding the beginning of the first class year following the date that the damaged or destroyed Covered Property could, with the exercise of due diligence and dispatch, be restored but not limited to the date of expiration of this Scope of Coverage;
- (2) If the period of time for restoring the damaged or destroyed Covered Property ends on the date within 30 days immediately preceding the beginning of the first class year specified above, the period of liability for loss is extended to end on the day preceding the beginning of the second class year;

- (3) The words "beginning of the class year", however modified, shall mean the next scheduled beginning of a scholastic year as prescribed, or would be prescribed in the catalog or similar bulletin of the school.

d. **Extra Expense**

The necessary expenses Member incurs during the period of recovery to maintain or continue business operations that Member would not have incurred if there had been no physical loss or damage to Covered Property by covered causes of loss during the Coverage Period. Extra expense does not include wages, salary or other compensation (other than overtime directly attributable to the loss) paid to Employees of Member.

With respect to extra expense, the "period of recovery" is defined as:

The length of time from the Occurrence to the time when with due diligence and dispatch the Covered Property could be repaired and restored to normal operations not to be limited by the date of expiration named in this Scope of Coverage.

With respect to Time Element coverage, this Scope of Coverage does not cover against any Increase in loss which may be occasioned by:

- (1) The suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the interruption of business;
- (2) Interference at the described Premises by strikers or other persons with:
  - (a) Rebuilding, repairing or replacing the Covered Property damaged or destroyed; or
  - (b) The resumption or continuation of business.
- (3) Pollutants.

**Under this Time Element coverage part, Member shall use all due diligence to minimize the loss and the Trust will not be responsible for loss sustained as a result of Member's failure to use such due diligence.**

11. **Accounts Receivable**



Subject to a limit of \$250,000 per Occurrence unless a higher limit is selected in the Per Occurrence on Accounts Receivable row of the Declarations, this Scope of Coverage covers loss resulting in the inability to effect collection of sums due because of direct loss or damage of records or Accounts Receivable files by covered causes of loss during the Coverage Period.

Recovery is computed as follows:

When there is proof that a loss of records of Accounts Receivable has occurred but Member cannot more accurately establish the total amount of Accounts Receivable outstanding as of the date of such loss, such amount shall be adjusted as follows:

- a. The monthly average of Accounts Receivable during the last available twelve months, together with collection expenses in excess of normal collection costs and made necessary because of such loss or damage and reasonable expenses incurred in reestablishing records of Accounts Receivable following such loss or damage, shall be adjusted in accordance with the percentage increased or decreased in the twelve months average of monthly gross revenues which may have occurred in the interim;
- b. The monthly amount of Accounts Receivable thus established shall be further adjusted in accordance with any demonstrable variance from the variance from the average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of Accounts Receivable within the fiscal month involved.

There shall be deducted from the total amount of Accounts Receivable, however established, the amount of such accounts evidenced by records, not lost or damaged, or otherwise established or collected by Member and an amount to allow for probable bad debts which would normally have been uncollectible by Member.

## 12. **Extraction of Pollutants from Land or Water**

Subject to a limit of \$10,000 per Occurrence for the sum of all covered expenses arising out of covered causes of losses during any twelve month period, the Trust will pay Member's expense to extract Pollutants from land or water, except from landfills, wastewater and water treatment facilities and storage tanks (either above-ground or underground), provided the Environmental Impairment is caused by or results from a covered cause of loss during the Coverage Period and provided further that the expense is reported to the Trust in writing within 180 days of the date on which the

covered cause of loss occurs. This coverage does not apply to the cost of testing for, monitoring or assessing the existence, concentration or effects of Pollutants; however, the Trust will pay for testing which is performed in the course of extracting the Pollutants from land or water.

**13. Underground Piping and Sewers**

Subject to a limit of \$25,000 per Occurrence, this Scope of Coverage covers loss or damage to underground piping and sewers by covered causes of loss during the Coverage Period. However, this coverage does not include excavation costs, Time Element, debris removal, Pollutant cleanup or Environmental Impairment relating to such loss or damage.

**14. Trees, Shrubs, Bushes and Golf Course**

Subject to a limit of \$10,000 per Occurrence, this Scope of Coverage covers loss or damage to trees, shrubs, bushes and Golf Course by the following causes of loss during the Coverage Period: fire, lightning, wind, vandalism, explosion, riot or civil commotion, or aircraft.

The following loss conditions apply to this coverage:

- a. Loss or damage will be covered only in the event of complete and total destruction of the tree, shrub, bush or Golf Course.
- b. The Trust will replace the lost or damaged Property with Property of size, kind and quality that the Trust, in its sole discretion, determines to be appropriate.

In addition, the Trust will pay Member's expense to remove debris of trees, shrubs, bushes and Golf Course for the following causes of loss during the Coverage Period: fire, lightning, wind, vandalism, explosion, riot or civil commotion, or aircraft. In determining the Trust's liability for such payment, the measure of recovery shall be the lesser of:

- a. The amount actually expended by Member for the removal of debris of trees, shrubs, bushes and Golf Course for which there is loss coverage under this Scope of Coverage; or
- b. The amount of direct physical loss or damage to the tree, shrub, bush or Golf Course which necessitated the debris removal up to and inclusive of the above limit of \$10,000 per Occurrence.

Time Element coverage for Golf Course is excluded.

**15. Fire Equipment Surcharge**

Subject to a limit of \$10,000 per Occurrence, the Trust will reimburse Member for any fire department service charge paid or incurred by Member with respect to a fire on Covered Property. The Deductible and Total Loss Discount specified in the Declarations are not applicable to these reimbursements.

**16. Fire Equipment Recharge**

Subject to a limit of \$10,000 per Occurrence, the Trust will pay expenses incurred by Member to recharge automatic fire protection equipment at Covered Property discharged to fight a fire or as a result of a covered cause of loss. The Deductible and Total Loss Discount specified on the Declarations are not applicable to these payments.

**17. Valuable Papers and Records**

Subject to a limit of \$100,000 per Occurrence unless a higher limit is selected, this Scope of Coverage covers Member's costs to research or restore the lost information on lost or damaged Valuable Papers and Records by covered causes of loss during the Coverage Period. If Valuable Papers and Records cannot be replaced with other of like kind or quality, the Trust will pay the cost of blank materials.

**18. Mobile Equipment**

Subject to a limit of \$100,000 per Occurrence, this Scope of Coverage covers loss or damage to owned, leased or borrowed Mobile Equipment by covered causes of loss under the Special Form during the Coverage Period. Higher limits may be selected in which case the Mobile Equipment must be specified in Schedule B. In addition, coverage hereunder includes the limit specified on the Declarations on newly acquired, leased or borrowed Mobile Equipment for a period of 90 days from the date of acquisition, lease or borrow or until added to Schedule B (whichever occurs first). If newly acquired, leased or borrowed Mobile Equipment is to be covered under this Scope of Coverage, additional Fee will be payable from the date of acquisition, lease or borrow.

Subject to a limit of \$100,000 per Occurrence unless a higher limit is selected, in the event of loss or damage to Mobile Equipment specified in Schedule B by covered causes of loss under the Special Form during the Coverage Period, the Trust will reimburse Member for its expense to rent similar Mobile Equipment while the Mobile Equipment specified in Schedule B is inoperable. The Trust will continue to reimburse Member for the rental of Mobile Equipment after the Coverage Period if the loss or damage occurred during the Coverage Period. This coverage does not

include the rental of Mobile Equipment until after 72 hours have passed since the Mobile Equipment specified in Schedule B was rendered inoperable. After 72 hours have passed, the Trust will only reimburse Member for the rental expense it actually incurs. The Trust will not reimburse Member if Member can continue or resume operations with similar Mobile Equipment that is available to Member at no additional expense to Member. Coverage hereunder will not be provided unless Member makes every reasonable effort to repair replace or rebuild the inoperable Mobile Equipment after the loss or damage occurs.

**Unscheduled Mobile Equipment:** For Members who schedule all of their Mobile Equipment, the Trust will cover inadvertently and unintended unscheduled Mobile Equipment not included in Schedule B, subject to a limit of \$20,000 per Occurrence at Actual Cash Value. Mobile Equipment rental expense reimbursement is excluded.

19. **[Reserved]**

20. **Arson Reward**

Subject to a limit of \$5,000 per Occurrence, the Trust will reimburse Member for rewards paid by Member for information leading to convictions for an act of arson that resulted in loss or damage to Covered Property by a covered cause of loss. The Deductible and Total Loss Discount specified on the Declarations are not applicable to these reimbursements.

21. **Protection and Preservation of Property**

Subject to a limit of \$5,000 per Occurrence, the Trust will pay for reasonable and necessary costs incurred for actions to temporarily protect or preserve Covered Scheduled Property; provided such actions are necessary due to actual, or to prevent immediate impending physical loss or damage to such Property from a Covered Cause of Loss.

- B. OPTIONAL COVERAGE.** All of the coverages set forth in this Section shall not be part of but in addition to the Blanket Buildings and Personal Property Maximum Per Occurrence Limit of Coverage specified on the Declarations. **Member has such coverage only if a Fee amount appears in the Declaration pages and only for the items listed in Schedules C and/or D.**

**1. Fine Arts**

When a Fee is specified on the Declarations for Fine Arts, this Scope of Coverage covers loss or damage to Fine Arts specified in Schedule C by covered causes of loss under the Special Form during the Coverage Period. It will cover not only Member's Fine Arts, but also Fine Arts of others specified in Schedule C when they are in Member's care, custody or control for the purpose of exhibition.

In the case of Member's Fine Arts, the value will be the lesser of the following amounts:

- a. The cost of reasonably restoring the Fine Arts to its condition immediately before loss; or
- b. The amount stated in Schedule C.

In the case of Fine Arts of others, these will be valued on the basis of Member's assumed liability for such items.

**2. Historic Property**

When a Fee is specified on the Declarations for Historic Property, this Scope of Coverage covers loss or damage to Historic Property specified in Schedule D by covered causes of loss during the Coverage Period.

In the event of covered loss to Historic Property, the value of the Historic Property will be the lesser of the following amounts:

- a. The cost of reasonably restoring that Historic Property to the same condition immediately before the loss; or
- b. The amount stated in Schedule D.

## II. CAUSES OF LOSS

### A. SPECIAL FORM

#### 1. Covered Causes of Loss

When Special Form is specified on the Declarations, covered causes of loss means **ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE** except those causes of loss listed in the exclusions.

#### 2. Exclusions

a. The Trust will not pay for loss or damage caused by or resulting from any of the following:

- (1) Delay, loss of use, loss of market, indirect or consequential loss except as may be specifically covered by this Scope of Coverage.
- (2) Any dishonest act, including but not limited to theft, committed alone or in collusion with others, at any time:
  - (a) By Member or any proprietor, partner, director, trustee, officer, or employee of Member; or
  - (b) By any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by Member to do anything in connection with Covered Property.

This Scope of Coverage does cover acts of direct covered physical damage intentionally caused by Member or any individual specified in (b) above, and done without the knowledge of Member. In no event does this Scope of Coverage cover loss by theft by any individual specified in (a) or (b) above.

(3) Unexplained disappearance or shortage;

b. The Trust will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a covered cause of loss results, the Trust will pay for that resulting loss or damage.

(1) Wear and tear;

- (2) Rust, corrosion, contamination, fungus, decay, deterioration, hidden or latent defect or any quality in the Property that causes it to damage or destroy itself;
- (3) Settling, cracking, shrinking or expansion;
- (4) Insects, birds, rodents or vermin;
- (5) Mechanical breakdown, including rupture or bursting caused by centrifugal or reciprocating force, except for Electronic Data Processing Equipment and Electronic Data Processing Media;
- (6) Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires, except for Electronic Data Processing Equipment and Electronic Data Processing Media;
- (7) Explosion or rupture or bursting of steam boilers, steam pipes, steam engines or steam turbines owned or leased by Member, or operated under Member's control. But if loss or damage by fire or combustion explosion results, the Trust will pay for loss or damage caused by or resulting from the explosion of gases or fuel within the firebox of any fired vessel or within the flues or passages through which the gases of combustion pass; or
- (8) Water (except water that backs up or overflows from a sewer, drain or sump) under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.
- (9) The following causes of direct loss to Personal Property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching, except for Fine Arts when a limit and Fee are specified on the Declarations for Fine Arts.

## (10) Faulty, inadequate or defective:

- (a) Planning, zoning, development, surveying, sighting;
- (b) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (c) Materials used in repair, construction, renovation or remodeling; or
- (d) Maintenance of part or all of any Property on or off covered Premises.

This exclusion does not apply to stock, supplies or raw materials used by Member.

## (11) With respect to stock in process only, damage sustained while actually being worked on and directly resulting therefrom due solely to errors or omissions by Member in the manufacture of a product.

## (12) Potholes, pocking, heaving, undermining and other similar damage to or destruction of bridges, roadways, walks, patios and other paved surfaces caused, or contributed to, by moisture or changes in temperature.

## c. The Trust will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

## (1) Earth Movement

But if loss or damage by fire or explosion results from earthquake, landslide or earth sinking, rising or shifting, the Trust will pay for that resulting loss or damage.

But if loss or damage by fire, building glass breakage, sprinkler leakage or Volcanic Action results from volcanic eruption, explosion or effusion, the Trust will pay for that resulting loss or damage.



- (2) Flood, unless a Limit of Coverage and a Fee for Flood coverage is included in the Declarations, and then, only to the extent provided under the terms of this Scope of Coverage and consistent with the Declarations.

But if loss or damage by fire, sprinkler leakage or explosion results, the Trust will pay for that resulting loss or damage.

- (3) Power Failure

The failure of power or other utility service supplied to covered Premises, however caused, if the failure occurs away from covered Premises. But if loss or damage by a covered cause of loss results, the Trust will pay for that resulting loss or damage.

- (4) Governmental Action

Seizure or destruction of Property by order of governmental authority.

But the Trust will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread.

- (5) War and Military Action

- (a) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against actual, impending or expected attack.

(1) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or

(2) by military, naval or air forces; or

(3) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such government, power, authority or forces;

- (b) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an Occurrence.

(6) Environmental Impairment

- (a) This Scope of Coverage does not cover against loss or damage caused by, resulting from, contributing to or made worse by an actual, alleged or threatened Environmental Impairment.
- (b) There shall be no liability under this Scope of Coverage for any cost of reconstruction, repair, rebuilding, replacement of material, debris removal, demolition, reporting or monitoring, or loss of use necessitated by the enforcement of any law or ordinance regulating any Pollutants.

(7) Nuclear Damage

The Trust will not pay for loss or damage caused by or resulting from nuclear reaction, nuclear radiation or radioactive contamination, except:

- (a) If fire ensues, liability is specifically assumed for direct loss by such ensuing fire, and
- (b) Physical damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on Member's Covered Property, provided that on the date of loss, there is neither a nuclear reactor nor any new or used nuclear fuel on the Covered Property.

**B. FLOOD**

1. When a Limit of Coverage and a Fee are specified in the Declarations for Flood, for Schedule A Property (*i.e.*, for Property listed on Schedule A) this Scope of Coverage is extended to cover loss or damage and Time Element caused by or resulting from Flood, subject to the Limits of Coverage specified on the Declarations.

2. When a Limit of Coverage and a Fee are specified in the Declarations for Flood, for Schedule F Property in Hazard Zone A (*i.e.*, for each structure listed on Schedule F) this Scope of Coverage is extended to cover, at Actual Cash Value for each scheduled structure (*see* Schedule F), and subject to a \$25,000 Deductible per scheduled structure, loss or damage caused by or resulting from Flood, subject to the Limits of Coverage specified on the Declarations.

#### **C. EARTH MOVEMENT**

When a limit and a Fee are specified on the Declarations for Earth Movement, this Scope of Coverage is extended to cover loss or damage and Time Element caused by or resulting from Earth Movement subject to the Limits of Coverage specified on the Declarations.

Each loss by Earth Movement shall constitute a single claim. All earthquake shocks or volcanic eruptions, explosions or effusions that occur within any 72-hour period will constitute a single Occurrence.

#### **D. INTERRUPTION OF UTILITY SERVICES**

1. Subject to a limit of \$500,000 per Occurrence unless a higher Limit of Coverage is selected and a fee is assessed pursuant to the Declarations, and subject further to a limit of \$250,000 per Occurrence if the cause of loss is Flood or Earth Movement and this Scope of Coverage has been extended to cover loss or damage caused by or resulting from Flood and Earth Movement, the Trust will pay for loss or damage to Covered Property caused by the interruption of utility services to Member's Premises, provided the interruption results from direct physical loss or damage by a covered cause of loss during the Coverage Period to the following property not on Member's Premises:
  - a. Water supply services, meaning the following types of property supplying water to Member's Premises:
    - (1) Pumping stations; and
    - (2) Water mains.
  - b. Communication supply services, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
    - (1) Communication transmission lines, including optic fiber transmission lines;

- (2) Coaxial cables; and
- (3) Microwave radio relays, except satellites.

It does not include overhead transmission lines.

- c. Power supply services, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (1) Utility generating plants;
- (2) Switching stations;
- (3) Substations;
- (4) Transformers; and
- (5) Transmission lines.

Overhead transmission lines are not included as or considered to constitute power supply services for the purpose of this coverage and there is no coverage for loss or damage to overhead transmission lines.

- 2. Subject to a limit of \$500,000 per Occurrence unless a higher Limit of Coverage is selected and a Fee is assessed pursuant to the Declarations, and subject further to a limit of \$250,000 per Occurrence if the cause of loss is Flood or Earth Movement and this Scope of Coverage has been extended to cover Time Element caused by or resulting from Flood and Earth Movement, the Trust will pay for loss resulting from partial or complete suspension of business conducted by Member caused by the interruption of utility services to Member's Premises, provided the interruption results from direct physical loss or damage by a covered cause of loss during the Coverage Period to the following property not on Member's Premises:

- a. Water supply services, meaning the following types of property supplying water to Member's Premises:

- (1) Pumping stations; and
- (2) Water mains.

- b. Communication supply services, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:

- (1) Communication transmission lines, including optic fiber transmission lines;
- (2) Coaxial cables; and
- (3) Microwave radio relays except satellites.

Overhead transmission lines are not included as or considered to constitute communication supply services for the purpose of this coverage and there is no coverage for loss or damage to overhead transmission lines.

- c. Power supply services, meaning the following types of property supplying electricity, steam or gas to the described premises:
  - (1) Utility generating plants;
  - (2) Switching stations;
  - (3) Substations;
  - (4) Transformers; and
  - (5) Transmission lines other than overhead transmission lines. There is no coverage for loss or damage to overhead transmission lines.

In addition, the Trust will pay the necessary expenses Member incurs during the period of recovery to maintain or continue business operations that Member would not have incurred if there had been no interruption of service to Member's premises. Extra expense does not include wages, salary or other compensation (other than overtime directly attributable to the loss) paid to Employees of Member.

With respect to extra expense, the "period of recovery" is defined as the length of time from the Occurrence to the time when, with due diligence and dispatch, service could be restored not to be limited by the date of expiration named in this Scope of Coverage.

### **III. LIMIT OF COVERAGE AND DEDUCTIBLE**

#### **A. LIMIT OF COVERAGE**

The most the Trust will pay for loss or damage in any one Occurrence is the applicable Limit of Coverage opposite each coverage specified on the Declarations.

**B. BLANKET COVERAGE**

The Limit of Coverage specified in Item 5 of the Declarations opposite each coverage applies on a blanket basis to all covered locations.

**C. DEDUCTIBLE**

All losses, damages or expenses arising out of any one Occurrence shall be adjusted as one loss and from the amount of such adjusted loss there shall be deducted the Deductible specified in Item 6 of the Declarations unless specified to the contrary elsewhere in the Scope of Coverage. For Flood coverage in Hazard Zone A, where Member elects such coverage, the Deductible specified in the Declarations applies on a per structure basis.

#### IV. CONDITIONS

##### A. GENERAL CONDITIONS

###### 1. Coordination of Limits

If a loss is covered by more than one coverage provision under this Scope of Coverage, the maximum Limit of Coverage shall not exceed the highest applicable limit under any one coverage provision.

###### 2. Loss Payable

Covered losses will be payable directly to Member by the Trust or as directed by Member, receipt of which by Member shall constitute a release in full of all liability under this Scope of Coverage as regards such loss.

###### 3. Loss Payee

At Member's direction, the Trust will name another person as loss payee and will acknowledge the assignment of Member's rights of recovery under this Scope of Coverage to such loss payee. However, such loss payee shall not be an additional insured under this Scope of Coverage.

###### 4. Additional Member

Member may direct the Trust to include a Public Entity as an additional Member under this Scope of Coverage (i) if the Public Entity is located entirely within the geographic boundaries of Member, or (ii) to the extent of the Public Entity's interest in Covered Property in which Member has a Coverable Interest.

###### 5. Territory

Unless specifically endorsed, this Scope of Coverage covers Property, wherever it may be, within the United States of America, Canada and temporarily outside thereof in the course of being airborne and waterborne between points and places within.

###### 6. Other Insurance

This Scope of Coverage will not cover to the extent of any other insurance, whether prior or subsequent hereto in date, and whether directly or indirectly covering the same Property against the same perils. The Trust shall be liable for loss or damage only to the extent of that amount in excess of the amount recoverable from such other insurance.

## 7. Boiler and Machinery Joint Loss Agreement

In the event Member suffers a loss of or damage to property at a location designated in this Scope of Coverage and also designated in a Boiler Insurance Policy, and there is a disagreement between the Trust and the Boiler Insurer with respect to:

1. Whether the loss or damage was caused by a peril covered by this Scope of Coverage or by an accident insured against by such Boiler Insurance Policy; or
2. The extent of participation of this Scope of Coverage and such Boiler Insurance Policy in the loss or damage;

then, after agreement among Member, the Trust and the Boiler Insurer as to the total amount of the loss or damage recoverable under both coverages, the Trust will, upon Member's written request, pay to Member, in addition to that portion of the total recoverable loss or damage for which the Trust admits liability;

one-half (1/2) of that portion of the total recoverable loss or damage which is in disagreement (but in no event more than the minimum amount remaining payable under either this Scope of Coverage or the Boiler Insurance Policy after making provisions for undisputed payments)

provided that the Boiler Insurer's policy contains a similar joint loss agreement or subsequent to the loss agrees to submit to arbitration as specified herein.

Such payment by the Trust and the acceptance of the same by Member signifies the agreement of the Trust to submit to and proceed with arbitration within ninety (90) days of such payment in order to apportion the amount of the total recoverable loss damage which is in disagreement between the Trust and the Boiler Insurer. The arbitrators shall be three in number, one of whom shall be appointed by the Trust, one of whom shall be appointed by the Boiler Insurer, and the third appointed by consent of the other two. The decision by the arbitrators shall be binding on the parties.

Member agrees to cooperate in furnishing information and technical data as may be required to the Trust in connection with such arbitration or any other method of apportionment upon which the Trust and the Boiler Insurer may decide, but not to intervene therein.



**8. Subrogation**

If Member or any other entity to or for whom the Trust makes payment under this Scope of Coverage has rights to recover damages from another, those rights are transferred to the Trust to the extent of the Trust's payment. Member or that other entity must do everything necessary to secure the Trust's rights and must do nothing after loss to impair them. However, Member may waive Member's rights to subrogation for a covered loss against another party in writing prior to a loss. This will not restrict Member's coverage. The proceeds of any recovery on any subrogation shall be used: first, to make Member whole with respect to Covered Property by paying Member any deductible, and the difference between the amount of the loss covered by the Trust and the actual repair/replacement cost incurred by Member to repair/replace the damaged Covered Property with like kind and quality of property; second, to reimburse the Trust for all other costs and expenses incurred in resolving the claim; and third, to reimburse any other insurer that made any payment with respect to the loss.

**9. Statements of Value**

Prior to the beginning of the Coverage Period, Member shall furnish to the Trust statements of value for Buildings, Personal Property, Fine Arts, Mobile Equipment, and Historic Property to the extent each is covered hereunder. These statements of value will be used by the Trust to calculate Fee for the Coverage Period. The furnishing of these statements of value, however, shall not constitute an offer or binding of coverage by the Trust.

**10. Fee Adjustment**

During the Coverage Period, Member shall report to the Trust any new or additional values which in the aggregate exceed the limit shown on the Declarations for Unscheduled Property. The Trust reserves the right to adjust the Fees paid for the Coverage under this Scope of Coverage for any Coverage Period if (i) Member reports new or additional values, or (ii) an audit reveals that the statements of value furnished to the Trust were inaccurate.

**11. Concealment, Misrepresentation or Fraud**

This Scope of Coverage is void in any case of fraud by Member as it relates to this coverage at any time. It is also void if Member, at any time, intentionally conceals or misrepresents a material fact concerning this coverage.

**12. Errors and Omissions**

No unintentional error or omission made by Member shall void or impair the coverage hereunder, however, Member has a duty to immediately correct and notify the Trust of such error or omission when discovered and to pay any additional Fee to the Trust relating thereto.

**13. Assistance and Cooperation**

Member shall cooperate with the Trust, and, upon the Trust's request and expense, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining attendance of witnesses, and in the conduct of suits.

**14. Legal Action Against The Trust**

No person or entity has a right under this Scope of Coverage:

- a. To join the Trust as a party or otherwise bring the Trust into a law suit asking for damages from Member; or
- b. To sue the Trust on this Scope of Coverage unless all of its terms have been fully complied with.

**15. No Benefit to Bailee**

No person or entity, other than Member, having custody of Covered Property will benefit from this Scope of Coverage.

**16. Inspection and Audit**

The Trust shall be permitted, but not obligated, to inspect Member's Property and operations at any time. However, the Trust's right to inspect, any inspection and any report on an inspection are not to be considered as determining or warranting the safety, healthfulness or compliance with any law, rule or regulation of the Property or operations.

The Trust may examine and audit Member's books and records (which relate to the subject matter of this Scope of Coverage) until three years after this Scope of Coverage has expired or been cancelled.

**17. Cancellation**

- a. This Scope of Coverage may be terminated at Member's request subject to the Trust Agreement, or it may be cancelled by the Trust by mailing to Member, at the address shown on the Declarations, written notice stating when not less than forty-five (45) days

thereafter such cancellation shall be effective, except in the event of nonpayment of Fee when ten (10) days notice by the Trust to Member shall apply.

- b. Cancellation shall not affect coverage on any shipment in transit on the date of cancellation. Coverage will continue in full force until such Personal Property is delivered and accepted at the point of final destination.

**18. Compliance with Scope of Coverage and Trust Agreement**

Coverage shall not be provided under this Scope of Coverage unless, as a condition precedent thereto, Member shall have fully complied with all the provisions, terms and conditions of this Scope of Coverage, and Member shall have fully complied with the Trust Agreement. Member shall have the burden of establishing by a preponderance of the evidence any fact that is a predicate to coverage under this Scope of Coverage.

**19. Bankruptcy**

Bankruptcy or insolvency of Member will not relieve the Trust of the Trust's obligations under this Scope of Coverage.

**20. Changes**

This Scope of Coverage contains all agreements between Member and the Trust concerning the coverage afforded. None of the terms of this Scope of Coverage shall be waived or changed except by written endorsement issued to form a part of this Scope of Coverage. Notice to any agent, or knowledge possessed by an agent or other person acting on behalf of the Trust, shall not effect a waiver or a change of any of the terms or conditions of this Scope of Coverage nor shall it estop or bar the Trust from asserting any right which it may have under the terms of this Scope of Coverage.

**21. Notice**

Any notice, request, demand, communication or other paper required to be given under this Scope of Coverage shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, postage prepaid, or sent by telegram or facsimile or delivered by hand, with a receipt therefore executed.

**22. Waiver**

No delay or failure by the Trust to exercise any right or power granted to the Trust under this Scope of Coverage or to enforce any provision of this Scope

of Coverage shall impair any such right or power or be construed as a waiver of such provision in the absence of an express writing to that effect signed by the Trust.

**23. Entire Agreement**

This Scope of Coverage contains the entire agreement between the parties hereto concerning the coverage afforded. Neither they nor any other person on whom this Scope of Coverage shall be binding shall be bound by terms, conditions, statements, warranties or representations, oral or written, not herein contained.

**24. Captions, Numbers and Gender**

The captions in this Scope of Coverage are for the purpose of convenient reference and in no manner define, limit or prescribe the scope or intent of the Scope of Coverage or any part hereof. Where context requires, the plural shall include the singular, the masculine shall include the feminine, and vice versa.

**25. Choice of Law**

This Scope of Coverage shall be governed by and construed in accordance with the laws of the State of Maryland. All judicial actions, Claims, Lawsuits or proceedings brought by any person to enforce any rights hereunder shall be initiated and maintained only in the courts within the State of Maryland and not in the courts of any other jurisdiction.

**26. Assignment**

Assignment of interest under this Scope of Coverage shall not bind the Trust until its consent is endorsed thereon.

**B. LOSS CONDITIONS**

The following conditions apply in addition to the General Conditions and Optional Conditions.

**1. Loss Adjusters/Appraisers**

The Trust, or its authorized representative, is authorized to assess all losses on the Trust's behalf.

If the Trust and Member disagree on the value of the Covered Property or the amount of loss, either party may make written demand for an appraisal of the loss. In this event, each party will select a qualified and impartial appraiser.

The two appraisers will select an umpire. If the appraisers cannot agree on an umpire, either party may request that a judge or court of competent jurisdiction make the selection. The appraisers will state separately the value of the property and the amount of loss. If the appraisers fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Share the other expenses of the appraisal(s) and umpire equally.

The event of an appraisal will not affect the Trust's right to deny coverage.

## **2. Abandonment**

There can be no abandonment of any Property to the Trust.

## **3. Duties in the Event of Loss or Damage**

Member must see that the following are done in the event of loss or damage covered by this Scope of Coverage:

- a. Notify the police if a law may have been broken.
- b. Give the Trust prompt notice of the loss or damage, including a description of the Property involved.
- a. As soon as possible, give the Trust a description of how, when and where the loss or damage occurred.
- d. Take all reasonable steps to protect the Property from further damage. If feasible, set the damaged Property aside and in the best possible order for examination. Also keep a record of Member's expenses, for consideration in the settlement of the claim.
- e. At the Trust's request, give the Trust complete inventories of the damaged and undamaged Property. Include quantities, costs, values and amount of loss claimed. But the Trust will not require an inventory of undamaged Property when the aggregate amount of loss claimed is:
  - (1) Less than \$100,000; and
  - (2) Less than 5% of the total Limit of Coverage applying to the Property at the time of loss or damage.

- f. Permit the Trust to inspect the Property and records proving the loss or damage.
- g. If requested, permit the Trust to question any representative of Member under oath at such times as may be reasonably required about any matter relating to this Scope of Coverage or Member's claim, including Member's books and records. In such event, Member's answers must be signed.
- h. Send the Trust a signed, sworn statement of loss containing sufficient information for the Trust to evaluate the loss.
- i. Cooperate with the Trust in the investigation or settlement of the claim.

#### **4. Loss Payment**

- a. In the event of loss or damage covered by this Scope of Coverage, the Trust at its option will either:
  - (1) Pay the value of lost or damaged Property;
  - (2) Pay the cost of repairing or replacing the lost or damaged Property, plus any reduction in value of repaired items;
  - (3) Take all or any part of the Property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the Property with other Property of like kind and quality.
- b. The Trust will not pay Member more than Member's financial interest in the Covered Property.
- c. The Trust will give notice of the Trust's intentions within a reasonable period of time after the Trust receives the sworn statement of loss.
- d. The Trust may adjust losses with the owners of lost or damaged Property if other than Member. If the Trust pays the owners, such payment will satisfy Member's claims against the Trust for the owners' Property. The Trust will not pay the owners more than their financial interest in the Covered Property.

- e. The Trust may elect to defend Member against suits arising from claims of owners of Property. The Trust will do this at the Trust's expense.
- f. The Trust will pay Actual Cash Value for covered loss within a reasonable period of time after the Trust receives the sworn statement of loss, if:
  - (1) Member has complied with all of the terms of this Scope of Coverage; and
  - (2) (a) The Trust has reached agreement with Member on the amount of loss; or
  - (b) An appraisal award has been made.

#### 5. Recovered Property

If either Member or the Trust recovers any Property after loss settlement, that party must give the other prompt notice. At Member's option, the Property will be returned to Member. Member must then return to the Trust the amount the Trust paid to Member for the Property. The Trust will pay recovery expenses and the expenses to repair the recovered Property, subject to the Limit of Coverage.

#### 6. Valuation

Except as provided in this paragraph or under Section IB (Optional Coverage) of this Scope of Coverage, the Trust will determine the value of Property in the event of loss or damage at Replacement Cost as of the time of replacement, not to exceed eighteen (18) months from the date of loss or damage.

- a. The Trust will not pay Replacement Cost for any loss or damage:
  - (1) Until the lost or damaged Property is actually repaired or replaced or as progress payments.
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- b. The Trust will not pay more for loss or damage than the least of:
  - (1) The Limit of Coverage applicable to the lost or damaged Property;

- (2) The cost to repair or replace, on the same Premises, or another site, but not to exceed the size and operating capacity that existed on the date of loss, the lost or damaged Property with other Property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount Member actually spends that is necessary to repair or replace the lost or damaged Property on the same Premises.
- c. If the lost or damaged Property is not repaired or replaced, the Trust will determine the value of such Property at Actual Cash Value as of the time of loss or damage.
  - d. Valuable Papers and Records will be valued at the cost of blank materials for reproducing the Property unless a limit and a Fee are specified on the Declarations for Valuable Papers and Records.
  - e. Media, including all forms of converted data, programs and instruction tapes, will be valued at Replacement Cost Value.
  - f. Fine Arts will be valued at the lesser of Actual Cash Value or the cost to repair, unless a limit and Fee are specified on the Declarations for Fine Arts.
  - g. Historic Property will be valued at Replacement Cost, unless a limit and Fee are specified on the Declarations for Historic Property. However, Replacement Cost does not mean Historical Reconstruction Cost.
  - h. Buildings vacant for more than sixty (60) days before loss or damage will be valued at Actual Cash Value.
  - i. Mobile Equipment that is 5 years or older, computed from the date of manufacture as determined by the original serial number, will be valued at the lesser of Stated Value or Actual Cash Value. Mobile Equipment that is less than 5 years, computed from the date of manufacture as determined by the original serial number, will be valued at the lesser of Stated Value or Replacement Cost. Non-owned Mobile Equipment will be valued at Actual Cash Value.
  - j. Unscheduled Property will be valued at Actual Cash Value.



- k. Autos will be valued at Actual Cash Value.
- l. The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancements.

**7. Pair, Sets or Parts**

- a. Pair or Set - In case of loss to any part of a pair or set, the Trust may:
  - (1) Repair or replace any part to restore the pair or set to its value before the loss; or
  - (2) Pay the difference between the value of the pair or set before and after the loss.
- b. Parts - In case of loss to any part of Covered Property consisting of several parts when complete, the Trust will only pay for the value of the lost or damaged part.

## V. DEFINITIONS

- Accounts Receivable means all sums due Member.
- Actual Cash Value means Replacement Cost less physical depreciation.
- Auto means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. Auto does not include Mobile Equipment.
- Automatic Sprinkler System means any automatic fire detection, alarm or suppression system, including connected:
  1. Sprinklers and discharge nozzles;
  2. Ducts, pipes, valves and fittings;
  3. Tanks, their component parts and supports; and
  4. Pumps and private fire protection mains.

When supplied from an automatic fire detection, alarm or suppression system:

1. Non-automatic fire detection, alarm or suppression systems; and
  2. Hydrants, standpipes and outlets.
- Basic Form means coverage limited to certain specified causes of loss, pursuant to the Basic Form Endorsement.
  - Building means an individual self-standing structure, including but not limited to, unless expressly so stated in this Scope of Coverage:
    1. Completed buildings and additions thereto;
    2. Permanently installed fixtures, machinery and equipment, including mechanical (*i.e.*, HVAC) equipment and connected Automatic Sprinkler Systems; and
    3. Outdoor fixtures.
  - Consequential Loss means loss or damage, other than direct loss or damage to Covered Property, resulting from an Occurrence.
  - Coverable Interest means a financial interest in Property which under applicable law allows Member to include that Property under this Scope of Coverage.
  - Coverage Period means the Coverage Period stated in the Declarations.

• Covered Property means the following types of Property listed in Schedule A attached to this Scope of Coverage:

1. Buildings.
2. Personal Property
3. Bridges, roadways, walks, patios or other paved surfaces.

Covered Property does not include:

1. Currency, money, evidence of debt, notes, securities, jewelry, underground tanks, or underground piping or sewers.
2. Watercraft over 26 feet long or aircraft.
3. Autos, unless scheduled.
4. Property sold by Member under trust agreement, conditional sale, installment plan or other deferred payment plan, after such Property has been delivered to the purchaser.
5. Overhead transmission and distribution lines.
6. Land, trees, shrubs, bushes, lawns, water, growing crops, standing timber or live animals.
7. Mobile Equipment.
8. Freestanding pilings.
9. Lawns, unless artificial turf and scheduled and in which case coverage is limited to the following causes of loss: fire, lightning, wind, vandalism, explosion, riot or civil commotion, aircraft, theft or flood if option selected.

• Declarations means the section located at the beginning of this Scope of Coverage that sets forth the name, coverage, Limits of Coverage, Fees and Scope of Coverage dates of Member.

• Deductible means the amount set forth in the Declarations or, if applicable, in the Special Deductible Endorsement.

• Discharge means an emission of liquids or solids or both into a residential or commercial building from a publicly owned and operated sewer system.

- Earth Movement means:
  1. Earthquake, landslide, or earth sinking, rising or shifting (other than Sinkhole Collapse).
  2. Volcanic eruption, explosion or effusion (other than Volcanic Action).
- Electronic Data Processing Equipment means equipment by which data are electronically collected, transmitted, processed, stored and retrieved.
- Electronic Data Processing Extra Expense means the necessary expenses incurred by Member to perform the operations normally performed by Member's electronic data processing system.
- Electronic Data Processing Media means data, programs and other software stored on or designed for use in covered electronic data processing equipment.
- Employee means an individual who is hired and paid by Member to provide services or perform duties under the supervision, control and direction of Member if Member has the power or right to supervise, control and direct the individual in the material details of how the services are provided or the duties are performed. The term "Employee" shall not include Private Contractors or any individual who is convicted or accused of violating a criminal statute and who is detained, held in custody or captivity or whose freedom is restricted in any manner by a governmental agency.
- Environmental Impairment means any discharge, dispersal, emission, release, or escape of Pollutants into or upon land, the atmosphere or any groundwater, watercourse or body of water.
- Fee or Fees means the sum or sums of money determined by the Trustees pursuant to Section 8.01 of the Trust Agreement and the Trust Bylaws for participation in the Property Pool and charged to each Member during the Property Pool Fiscal Year. The terms "Fee" or "Fees" shall be deemed to refer to the total Fee payable by each Member for participation in the Property Pool, or any component thereof, as the context requires.
- Fine Arts means works of art, antiques or rare articles, including without limitation, paintings, etchings, drawings, lithographs, museum quality photographs, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware and bric-a-brac.
- Flood means a temporary condition of partial or complete inundation of normally dry land areas resulting from the overflow of inland or tidal waters or the rapid accumulation of run off of surface waters (including the overflow or breaking of boundaries) whether driven by wind or not, and mudslide or mudflow.

- Golf Course means trees, plants, shrubs, bushes, greens, tees, fairways, roughs driving ranges, sand traps, bunkers, sprinklers and underground irrigation located on a golf course, but not ground under repair (G.U.R.).

- Hazard Zone A means an area within a 100-year flood plain as designated by the Federal Emergency Management Agency ("FEMA"), including but not limited to Zone V as designated by FEMA.

- Historic Property means a district, site, building, structure, monument or object included on the National Register of Historic Places or otherwise designated by resolution of Member to be historic property, including artifacts, records and remains related to such district, site, building, structure, monument or object.

- Historical Reconstruction Cost means the cost incurred to repair or replace the damaged building or specific building features to the exact same design, decorative style and dimensions as existed at the time of loss, using identical materials with respect to kind and quality, all as of the time when with due diligence and dispatch, rebuilding, repairing or replacement of the damaged or destroyed property could be effected; however, in no event to include the cost of creating outdated, archaic or antiquated materials, workmanship, processes, technologies or designs not publicly available.

- Lawn means a plot of real grass or artificial turf.

- Limit of Coverage means the maximum amount of coverage available to Member under this Scope of Coverage.

- Local Government means:

1. A municipal corporation subject to the provisions of Article 23A of the Annotated Code of Maryland;
2. A county, subject to the provisions of Articles 25, 25A or 25B of the Annotated Code of Maryland;
3. The Mayor and City Council of Baltimore; or
4. A designated special tax area or district exercising and performing specific and limited municipal powers and functions within a defined geographic area, and created by:
  - a. The State pursuant to public local law; or
  - b. A county pursuant to Article 25A of the Annotated Code of Maryland or a municipal corporation pursuant to Article 23A of the Annotated Code of Maryland, provided that the governing body of the special tax area or district is independently elected.

- Member means:
  1. The Trust, a Local Government that is a member of the Trust, the Maryland Association of Counties ("MACo"), or the Maryland Municipal League ("MML"), as designated in the Declarations; and
  2. Any Public Entity that is sponsored for coverage in the Property Pool pursuant to the Trust Agreement.
  3. All boards, councils, commissions, and units that are operated exclusively by, are under the exclusive jurisdiction of, and are directly controlled by, Member while said boards, councils, commissions and units are acting within the scope of their authority.

- Mobile Equipment means:
  1. Unlicensed self-propelled vehicles
    - a. Designed and used primarily to carry mounted equipment; or
    - b. Not operated primarily on public roads; and
  2. Self-propelled vehicles, whether licensed or unlicensed
    - a. Designed for highway use; but
    - b. Not used for over the road transportation of people or cargo.

Mobile Equipment does not include:

1. Aircraft;
  2. Watercraft;
  3. Automobiles; or
  4. Trucks, trailers and similar conveyances designed for highway use and used for over the road transportation of people or cargo.
- Occurrence means an incident resulting in physical loss or damage to Property.
  - Personal Property means furniture; fixtures, including appliances for refrigeration, cleaning laundering, cooking, dishwashing and laundering; fire extinguishing equipment; outdoor furniture; floor coverings; and other non-self-propelled property used by Member in conjunction with fulfilling Member's public functions and conducting Member's business.

- Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including vapor, fumes, acids, alkalis, chemicals, dust and waste, including, without limitation, any material which, after its release, can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, loss of marketability or loss of use to Property covered hereunder, including, but not limited to, bacteria, fungi, virus, or hazardous substances as listed in the Federal Water Pollution Control Act of 1976, the Toxic Substances Control Act, or as designated by the U.S. Environmental Protection Agency or other State Environmental Agencies.

- Premises means land and Buildings thereon.

- Private Contractor means a person who contracts with Member to provided services or perform duties for Member, but over whom Member has no immediate and direct control with respect to the manner in which the services are to be provided or the duties are to be performed.

- Property means Buildings and Personal Property.

- Public Entity means:

1. The State or any political subdivision or unit, agency or instrumentality of the State;
2. Any Local Government or any unit, agency or instrumentality of a Local Government; or
3. Any nonprofit or nonstock corporation that is exempt from taxation under Section 501(c)(3) or (4) of the Internal Revenue Code and receives 50 percent or more of its annual operating budget from a Public Entity described in 1. or 2. above.

- Replacement Cost means the cost to replace, repair or reproduce damaged property with property of like kind and quality at current prices without a deduction for physical depreciation.

- Scope of Coverage means this complete coverage form in its entirety for the Trust's Property Program only.

- Sinkhole Collapse means loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of natural groundwater on limestone or similar rock formations.

- Soft Costs means all costs other than labor and materials including, but not limited to, the following: interest, taxes, advertising expense, renegotiation expense, architect, engineering and consultant fees, insurance expense, legal and accounting expense.

- Special Form means coverage from any cause of loss except those causes specifically excluded.

- Sprinkler Leakage means leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the System.

- State means the State of Maryland.

- Stated Value means the scheduled amounts determined by Member for Mobile Equipment as set forth on Schedule B, Fine Arts as set forth on Schedule C, Historic Property set forth on Schedule D or Non-Historic Property set forth on Schedule H.

- Time Element means loss of business income, loss of rental income, loss of tuition, and loss of extra expense (hard and Soft Costs) during the applicable period of recovery.

- Trust means the Local Government Insurance Trust.

- Trust Agreement means the Trust Agreement dated July 1, 1987, as amended or restated from time to time.

- Valuable Papers and Records means written, printed or otherwise inscribed documents and records, but does not include Electronic Data Processing Media.

- Vandalism means willful and malicious damage to, or destruction of, the Property.

- Volcanic Action means direct loss or damage resulting from volcanic eruptions, explosions or effusions when the loss or damage is caused by:

1. Airborne volcanic blast or airborne shock waves;
2. Ash, dust or particulate matter; or
3. Lava flow.

- Volunteer means an individual who, at the request of Member, and under Member's control and direction, provides services or performs duties without compensation, except for reasonable reimbursement for out-of-pocket expenses. The term "Volunteer" shall not include an individual who is providing services or performing duties pursuant to an order of court or consent or settlement agreement.



## SCHEDULE A COVERED PROPERTY SCHEDULE

Location of Property

Address:

Value (Replacement Cost)

Building

Personal  
Property

Page \_\_\_\_ of \_\_\_\_

## **SCHEDULE B**

### **MOBILE EQUIPMENT SCHEDULE**

**Description of Equipment**

**Stated Value**

Page \_\_\_\_ of \_\_\_\_

## SCHEDULE C FINE ARTS SCHEDULE

Description of Fine Arts

Stated Value

Page \_\_\_\_ of \_\_\_\_

## SCHEDULE D

### HISTORIC PROPERTY SCHEDULE

Location of Property

Stated Value

Address

Building

Personal  
Property

Page \_\_\_\_ of \_\_\_\_

## SCHEDULE E

### POLICE AND RESCUE CANINE SCHEDULE

Name	Breed	Age	Sex	Stated Value	
				ACV Limit (Actual Cash Value)	RCV Limit (Replacement Cost Value)

Page \_\_\_\_ of \_\_\_\_

**SCHEDULE F**  
**FLOOD HAZARD ZONE A COVERED STRUCTURE**  
**SCHEDULE**

**Covered Structures**

**Value (Replacement Cost)**

Address

Building

Personal  
Property

Page \_\_\_\_ of \_\_\_\_

## SCHEDULE G MOTOR VEHICLE SCHEDULE

**Location of Property**

Address:

**Value (Replacement Cost)**

Auto

Personal  
Property

Page \_\_\_\_ of \_\_\_\_

## SCHEDULE H

### NON-HISTORIC PROPERTY SCHEDULE

Location of Property

Stated Value

Address

Building

Personal  
Property

Page \_\_\_\_ of \_\_\_\_



**LOCAL GOVERNMENT INSURANCE TRUST**

**SCOPE OF COVERAGE**

**PROPERTY PROGRAM**

**APPENDIX A**

**ENDORSEMENTS**

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PROPERTY PROGRAM

SPECIFIC LOCATION EXCLUSIONS ENDORSEMENT

The Trust will not pay for loss or damage associated with the following locations:

- (1)
- (2)
- (3)

This Endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

(The following information is required only when  
this Endorsement is issued subsequent to  
preparation of the Scope of Coverage)

Effective Date:	_____
Policy Number:	_____
Endorsement No.:	_____
Member:	_____
Fee:	_____

LOCAL GOVERNMENT INSURANCE TRUST

By: \_\_\_\_\_  
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PROPERTY PROGRAM

ACTUAL CASH VALUE FOR SPECIFIC LOCATIONS ENDORSEMENT

The Trust will determine the value of the Property in the event of loss or damage at Actual Cash Value for the following locations:

- (1)
- (2)
- (3)

This Endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

(The following information is required only when  
this Endorsement is issued subsequent to  
preparation of the Scope of Coverage)

Effective Date: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
Endorsement No.: \_\_\_\_\_  
Member: \_\_\_\_\_  
Fee: \_\_\_\_\_

LOCAL GOVERNMENT INSURANCE TRUST

By: \_\_\_\_\_  
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached, as follows:

SCOPE OF COVERAGE PROPERTY PROGRAM

POLICE AND RESCUE CANINE ENDORSEMENT

Subject to the Limit of Coverage specified below and subject to a Deductible of \$250 per Occurrence, the Trust will cover Member's interest in and pay for the direct physical loss or damage to Covered Canine caused by Injury or Death, unless otherwise limited herein.

For the purposes of this Endorsement only:

Member will determine the Stated Value of a Covered Canine in the event of loss or damage at either Actual Cash Value or Replacement Cost.

"Additional Covered Causes of Loss" means the following: accidental shooting, drowning from external causes, poisoning, electrocution, vehicle collision, and attack by wild animals.

"Actual Cash Value" means the Replacement Cost less all actual and reasonable costs associated with Training.

"Covered Canine" means the animal(s) listed and described in the Schedule attached to this Endorsement, provided such animals are under the daily care and supervision of Member.

"Death" means the loss of life caused by covered causes of loss or Additional Covered Causes of Loss that occurs during the Coverage Period, or caused by sickness or disease that commences and manifests during the Coverage Period.

"Injury" means bodily injury sustained by a Covered Canine caused by covered causes of loss or Additional Covered Causes of Loss, not resulting in Death and not attributable to sickness or disease.

"Replacement Cost" means the sum required to replace the Covered Canine with one of a like breed and quality at current prices plus all actual and reasonable cost of Training.

"Stated Value" means the scheduled amounts for Covered Canine determined by Member and set forth in the Schedule attached to this Endorsement.

"Theft" means the unlawful taking of a Covered Canine from the possession of Member during the Coverage Period without the consent of Member with the intent to deprive Member of the value of the Covered Canine.

Theft does not include loss caused by or resulting from:

- a. Straying, escape or unexplained disappearance;
- b. Voluntary parting with any Covered Canine whether or not Member is induced to do so by any fraudulent scheme, trick, device or false pretense.

“Training” means specialized instruction necessary to qualify the Covered Canine for police, fire or rescue service.

**Limit of Coverage:** The Limit of Coverage per Occurrence under this endorsement shall not exceed the Stated Value of each Covered Canine. This Limit of Coverage shall be part of and not in addition to, the Limit of Coverage set forth in the Scope of Coverage to which this endorsement is attached.

**Exclusions:** The Trust will not pay for loss or damage caused by or resulting from any of the following:

- a. Neglect in providing the Covered Canine proper care and treatment, including, without limitation, malnutrition, abuse, mistreatment or other inhumane actions.
- b. Loss of use, loss of market, or any other Consequential Loss.
- c. Reduction in value as a result of a Covered Animal becoming unfit or incapable of fulfilling the functions or duties for which it is kept or intended.
- d. Injury, sickness, disease or any pre-existing condition existing before the Effective Date of this Endorsement.
- e. Injury resulting from racing, gaming or commercial guarding activities.
- f. Death directly or indirectly caused by or happening as a result of poisoning, unless such poisoning was not caused by Member, or an agent, employee or bailee of Member, or others with the consent of Member.
- g. [Reserved]
- h. Any veterinary services or surgical operations, unless such service or operation is:
  - (1) Required as a result of Injury or in an attempt to prevent Death, and
  - (2) Performed and certified by a licensed veterinarian; and

- (3) Authorized by the Trust.
- i. Administration of drugs, medications(s) or inoculations(s), unless:
  - (1) Required as a result of Injury or in an attempt to prevent Death, and
  - (2) Administered by or at the direction of a licensed veterinarian.
- j. Autopsy, disposal or burial of a Covered Canine.
- k. Any act committed:
  - (1) By Member, or an agent, employee or bailee of Member, or at the direction of Member or an agent, employee or bailee of Member; and
  - (2) With the intent to cause Injury or Death.

But the Trust will cover the intentional destruction of a Covered Canine which is suffering from an irreversible or incurable condition when such condition:

- (1) Results from a cause not listed in the Exclusions; and
- (2) The intentional destruction is necessary for humanitarian purposes.

Prior to such destruction, Member must have the Trust's consent or the verification of a licensed veterinarian that intentional destruction was required.

- l. Any unauthorized instructions to transfer a Covered Canine to any person or to any place.
- m. Seizure, confiscation, requisition or destruction of a Covered Canine by order of a governmental authority.
- n. Any weapon employing atomic fission or fusion.
- o. Nuclear reaction or radiation, or radioactive contamination from any other cause. But the Trust will pay for Death of a Covered Canine caused by resulting fire.
- p. War, including undeclared civil war, revolution, insurrection, rebellion, or other military act of aggression, or any use for a military purpose.

(The following information is required only when  
this Endorsement is issued subsequent to  
preparation of the Scope of Coverage)

Effective Date: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
Endorsement No.: \_\_\_\_\_  
Member: \_\_\_\_\_  
Fee: \_\_\_\_\_

LOCAL GOVERNMENT INSURANCE TRUST

By: \_\_\_\_\_  
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PROPERTY PROGRAM

BASIC FORM ENDORSEMENT

The Trust will cover Member's interest in and pay for direct physical loss or damage associated with the following locations by the covered causes of loss specified in this endorsement.

**Specified Locations:**

- 1.
- 2.
- 3.

**Covered Causes of Loss:**

- a. **Fire.**
- b. **Lightning.**
- c. **Explosion.** Including, but not limited to, the explosion of gases or fuel within the firebox of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:
  - (1) Rupture, bursting or operation of pressure relief devices; or
  - (2) Rupture or bursting due to expansion or swelling of the Personal Property of any Building caused by or resulting from water.
- d. **Windstorm or Hail,** but not including:
  - (1) Frost or cold weather; or
  - (2) Ice (other than hail), snow or sleet, whether driven by wind or not.

The Trust will not pay for loss or damage to the interior of any Building, or the Personal Property inside the Building, caused by rain, snow, sand or dust, whether driven by wind or not, unless the Building first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.

- e. **Smoke** causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.



f. **Aircraft or Vehicles**, meaning only physical contact of an aircraft, a spacecraft, a missile, a vehicle or an object thrown up by a vehicle with the Property or within the Building containing the Property. This cause of loss includes loss or damage by objects falling from aircraft.

g. **Riot or Civil Commotion**, including:

- (1) Acts of striking Employees while occupying the described Premises; and
- (2) Looting occurring at the time and place of a riot or civil commotion.

h. **Vandalism**.

The Trust will not pay for loss or damage:

- (1) To glass (other than glass building blocks) that is part of a Building or an outside sign; but the Trust will pay for loss or damage to other Property caused by or resulting from breakage of glass by vandals.
- (2) Caused by or resulting from theft, except for Building damage caused by the breaking in or exiting of burglars.

i. **Sprinkler Leakage**.

If the Building containing the Automatic Sprinkler System is Covered Property, the Trust will also pay the cost to:

- (1) Repair or replace damaged parts of the Automatic Sprinkler System if the damage:
  - (a) Results in Sprinkler Leakage; or
  - (b) Is directly caused by freezing.
- (2) Tear out and replace any part of the Building to repair damage to the Automatic Sprinkler System that has resulted in Sprinkler Leakage.

j. **Sinkhole Collapse**. This cause of loss does not include the cost of filling sinkholes.

k. **Volcanic Action**. All volcanic eruptions, explosions or effusions that occur within any 72-hour period will constitute a single Occurrence.

This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the Property.

This Endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

(The following information is required only when  
this Endorsement is issued subsequent to  
preparation of the Scope of Coverage)

Effective Date:	_____
Policy Number:	_____
Endorsement No.:	_____
Member:	_____
Fee	_____

LOCAL GOVERNMENT INSURANCE TRUST

By: \_\_\_\_\_  
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PROPERTY PROGRAM

**EXCLUSION AND LIMITED ADDITIONAL COVERAGE  
ELECTRONIC DATA**

This endorsement modifies insurance provided under the following:

**ALL COVERAGE PARTS**

It is agreed that, except as provided in Additional Coverages, below, this policy does not cover Electronic Data.

Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-Roms, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This Paragraph does not apply to your "stock" of prepackaged software.

**Additional Coverages**

Subject to the provisions of this Additional Coverage, the Trust will pay for the cost to replace or restore electronic data which has been destroyed or corrupted. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

This additional coverage applies only if caused by any of the following causes of loss and only in the event that the applicable cause of loss is not otherwise excluded by this policy:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage; earthquake; flood.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground

empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
  - (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss or damage to property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
  - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

This additional coverage also applies to loss caused by a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation ("Virus and Manipulation"). But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

The most the Trust will pay under this Additional Coverage – Electronic Data is \$100,000 (provide, however, that the limit for Virus and Manipulation shall be \$2,500.00) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

(The following information is required only when  
this Endorsement is issued subsequent to  
preparation of the Scope of Coverage)

Effective Date: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
Endorsement No.: \_\_\_\_\_  
Member: \_\_\_\_\_  
Fee: \_\_\_\_\_

LOCAL GOVERNMENT INSURANCE TRUST

By: \_\_\_\_\_  
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PROPERTY PROGRAM

**EXCLUSION AND LIMITED ADDITIONAL COVERAGE FOR FUNGUS**

This endorsement modifies insurance provided under the following:

**ALL COVERAGE PARTS**

A. The following Exclusion is added:

**EXCLUSION – “Fungus”, Wet Rot, Dry Rot and Bacteria**

The Trust will not pay for loss or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of “fungus”, wet or dry rot or bacteria. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But if “fungus”, wet or dry rot or bacteria results in a “covered cause of loss”, the Trust will pay for the loss or damage caused by that “covered cause of loss”.

This exclusion does not apply:

1. When “fungus”, wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For “Fungus”, Wet Rot, Dry Rot and Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

B. The following Additional Coverage is added:

**ADDITIONAL COVERAGE – Limited Coverage for “Fungus”, Wet Rot, Dry Rot and Bacteria**

1. This limited coverage applies only when the “fungus”, wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence, and only if any loss resulting from the following is reported to us within 60 days of the occurrence.
  - a. A “covered cause of loss” other than fire or lightning; or

- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
- 2. Under conditions described in **Item B.1.** above, the Trust will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
- 3. The coverage provided under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most the Trust will pay for the total of all loss or damage arising out of all occurrences which take place in a 12 month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, the Trust will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
- 4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, the Trust will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

C. The following Definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

(The following information is required only when  
this Endorsement is issued subsequent to  
preparation of the Scope of Coverage)

Effective Date: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
Endorsement No.: \_\_\_\_\_  
Member: \_\_\_\_\_

LOCAL GOVERNMENT INSURANCE TRUST

By: \_\_\_\_\_  
Authorized Representative



This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PROPERTY PROGRAM

EXCLUSION OF PATHOGENIC OR POISONOUS BIOLOGICAL  
OR CHEMICAL MATERIALS ENDORSEMENT

The Trust will not pay for loss or damages caused directly or indirectly by the discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials. Such loss or damage is excluded from coverage under this Scope of Coverage regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

However, if both A and B below apply, the Trust will pay up to a maximum of \$10,000 for any and all claims for such loss or damage arising out of events occurring within the term of this Scope of Coverage.

- A. The pathogenic or poisonous biological or chemical materials are normally kept at or brought onto Member's premises, with Member's consent, for use in Member's business operations at member's premises; and
- B. The discharge, dispersal, seepage, migration, release, escape or application of the pathogenic or poisonous biological or chemical materials is accidental and is not the result of a willful or malicious act against any persons, organizations, or property of any nature.

LOCAL GOVERNMENT INSURANCE TRUST

By: \_\_\_\_\_  
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PROPERTY PROGRAM

STATED VALUE FOR NON-HISTORIC BUILDINGS  
SPECIFIC LOCATION(S) ENDORSEMENT

Subject to a Loss Control Valuation Report, the Trust agrees to use the Member's desired building value to be the Stated Value in the event of a partial or total loss or damage to the Building listed in the Non-Historic Building Schedule H or listed on this endorsement for the following locations:

- (1)
- (2)
- (3)

**NOTE: SEVERE UNDERINSURANCE POTENTIAL AS REPLACEMENT COST, ACTUAL CASH VALUE OR THE BLANKET LIMIT WILL NOT APPLY FOR DIRECT DAMAGE TO THESE BUILDINGS. THE MAXIMUM COVERAGE FOR DIRECT DAMAGE TO THESE BUILDINGS WILL BE THE STATED VALUE IN ALL CASES, WHICH MAY LIMIT ANY OTHER COVERAGES SUCH AS, BUT NOT LIMITED TO, DEBRIS REMOVAL, POLLUTION CLEAN UP, DEMOLITION, INCREASED COST OF RECONSTRUCTION AND DE-CONTAMINATION COSTS.**

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

(The following information is required only when  
this endorsement is issued subsequent to  
preparation of the Scope of Coverage)

Effective Date: \_\_\_\_\_

Policy Number: \_\_\_\_\_

Endorsement No.: \_\_\_\_\_

Member: \_\_\_\_\_

LOCAL GOVERNMENT INSURANCE TRUST

By: \_\_\_\_\_  
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is

attached, as follows:

SCOPE OF COVERAGE PROPERTY PROGRAM

GOLF COURSE ENDORSEMENT

Subject to a per Occurrence maximum of \$100,000 Combined Property and Time Element Limit of Coverage and subject to a minimum \$1,000 Deductible per Occurrence, the Trust will cover Member's golf courses as scheduled below for damage or loss at only Replacement Cost caused by fire, lightning, wind, vandalism, explosion, riot or civil commotion, sinkhole collapse, volcanic action or aircraft. Coverage under this endorsement includes tree debris removal and Replacement Cost only up to \$25,000 combined per tree and inclusive of the \$100,000 per Occurrence limit.

Limit: \_\_\_\_\_

Golf Course Name and location:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

(The following information is required only when  
this Endorsement is issued subsequent to  
preparation of the Scope of Coverage)

Effective Date: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
Endorsement No.: \_\_\_\_\_  
Member: \_\_\_\_\_  
Fee: \_\_\_\_\_

LOCAL GOVERNMENT INSURANCE TRUST

By: \_\_\_\_\_  
Authorized Representative

**LOCAL GOVERNMENT INSURANCE TRUST**  
**SCOPE OF COVERAGE**  
**PROPERTY PROGRAM**  
  
**APPENDIX B**  
**TOPICAL INDEX**

**THIS TOPICAL INDEX DOES NOT CHANGE, ALTER, AFFECT OR MODIFY  
COVERAGE AND IS PRESENTED ONLY FOR REFERENCE PURPOSES. PLEASE  
REFER TO THE TEXT OF THE SCOPE OF COVERAGE FOR SPECIFICS OF  
COVERAGE.**

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